

Peter T. Flaherty
Citizens Against Unfair Taxation
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Alexandria, VA 22314

VIA FACSIMILE: 202-616-9937

January 24, 2002

Renata Hesse
Trial Attorney
Antitrust Division
Department of Justice
601 D Street, NW, Suite 1200
Washington, D.C. 20530

Re: Comment on the Microsoft Settlement

Dear Renata Hesse:

As provided for by the Tunney Act, I am writing to comment on the proposed settlement in the Microsoft case.

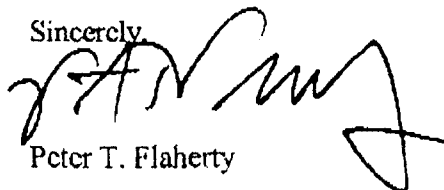
As someone who has spent a great deal of my adult life advocating policies that address the concerns of the American taxpayer, I view the use of taxpayer funds to pursue the break-up of Microsoft as little more than corporate welfare for Microsoft's competitors. There is no dispute as to why the government initiated this case - it was the result of a well-financed lobbying effort by Microsoft's competitors. What these companies could not achieve through competition, or even through direct legal action against Microsoft, they sought to do with taxpayer funds.

As many observers of this anti-trust case have already commented upon, it differed in a major way from the classic view of why monopolies harm the public, i.e., the monopolist uses their monopoly power to overcharge the public for the goods they supply. In this case, the public was benefitting enormously from Microsoft products and many of the prices of such products were dropping or - in some cases - were available free.

The bottom line was that taxpayers benefitting from Microsoft, as well as millions of individuals who directly or indirectly benefitted from Microsoft stock ownership, were forced to fund with their tax dollars a legal action that unquestionably benefitted the narrow economic interests of those who lobbied for the anti-trust action by the government. In short, this was a classic fleecing of the taxpayer.

I support the settlement for one reason - to close the door on this very expensive and short-sighted abuse of the anti-trust laws.

Sincerely,



Peter T. Flaherty